

DRAFT KHPA Recommendation, Transfer of Additional Medicaid-funded Programs

KSA 75-7405 (e) At the beginning of the regular session of the legislature in 2007, the Kansas health policy authority shall submit to the legislature recommendations and an implementation plan for the transfer of additional Medicaid-funded programs to the Kansas health policy authority which may include (1) mental health services, (2) home and community-based services (HCBS) waiver programs, (3) nursing facilities, (4) substance abuse prevention and treatment programs, and (5) the institutions, as defined in K.S.A. 76-12a01, and amendments thereto.

As provided in the statute above, KSA 75-7405 (e), the Kansas Health Policy Authority (KHPA) is scheduled to submit to the Kansas Legislature a recommendation for the transfer of additional Medicaid-funded programs to KHPA at the beginning of the 2007 legislative session. After an analysis of current staffing and resources, and in addition to feedback from stakeholders, the KHPA Board recommends that no additional programs be transferred to the KHPA for FY 2008.

The list of current responsibilities for KHPA includes the regular medical portion of the state Medicaid program, the MediKan program, the State Children's Health Insurance Program (SCHIP), the Working Healthy portion of the Ticket to Work Program, the Medicaid Management Information System (MMIS), the Restrictive Drug Formulary and the Drug Utilization Review Program, the State Health Care Benefits Program, and the State Workers Compensation Self-Insurance Fund and Program. Currently, staffing levels, particularly in the Finance & Accounting and Operations areas are in need of additional resources to support existing KHPA programs. To responsibly and efficiently operate the programs within its purview, KHPA is necessarily redirecting resources and staff to the Finance & Accounting and Operations areas. The program areas from which resources are being diverted may suffer in the future without additional staff to fill in the gaps, and would certainly suffer with the premature addition of new programs and responsibilities.

KHPA requires additional staff to support its mission as an agency. When the initial levels of staff and budget transferred upon creation of the Division of Health Policy and Finance they were sufficient to staff a division receiving support from another agency, but not sufficient to properly staff an independent agency. This legislative session the agency is requesting the additional staff necessary to operate all of its current programs.

KHPA staff also met with a number of stakeholder groups regarding the potential for additional programs to move to the KHPA. This included individuals from the mental health, long term care, and disability communities. In both individual and group meetings, the majority of stakeholders suggested that moving additional programs to the KHPA would be premature. Advocates for these health communities have taken a "wait and see" approach. Additional stakeholder input is expected at the Pittsburg and Garden City Town Hall meetings which are scheduled prior to the start of the legislative session.

The KHPA Board's recommendation is that the decision to transfer any additional programs to KHPA at the beginning of FY 2008, as outlined in KSA 75-7405, would not be practical for the agency's beneficiaries and consumers. Instead, KHPA should focus on building an agency that has the staff capacity to fulfill the responsibilities assigned to it by the legislature.